

03/17/08 Revision- RPSA Template

Contract No. 09PB-«#####»

LONG-TERM REGIONAL DIALOGUE

Draft Template

RESIDENTIAL PURCHASE AND SALE AGREEMENT

executed by the

BONNEVILLE POWER ADMINISTRATION

and

«FULL NAME OF CUSTOMER»

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This RESIDENTIAL PURCHASE AND SALE AGREEMENT (Agreement) is executed by the UNITED STATES OF AMERICA, Department of Energy, acting by and through the BONNEVILLE POWER ADMINISTRATION (BPA), and «FULL NAME OF CUSTOMER» («Customer Name»). «Customer Name» is a «_____» organized under the laws of the State of «_____». BPA and «Customer Name» are sometimes referred to in the singular as “Party” or in the plural as “Parties.”

RECITALS

The Northwest Power Act, among other matters, provides that a Pacific Northwest (PNW) electric utility may offer to sell electric power to BPA and BPA shall purchase such electric power at the average system cost (ASC) of that utility’s resources and that BPA shall sell in return an equivalent amount of electric power for resale to that utility’s residential and small farm users within the PNW; and

The Parties agree:

1. TERM (02/28/08 Version revised for RPSA)

This Agreement takes effect on the date signed by the Parties and expires on September 30, 2028. Performance by the Parties of their obligations under this Agreement shall commence on October 1, 2011.

2. DEFINITIONS (02/28/08 Version)

Capitalized terms below shall have the meaning stated. Capitalized terms that are not listed below are either defined within the section in which the term is used or, if not so defined, shall have the meaning stated in BPA’s applicable Wholesale Power Rate Schedules, including the General Rate Schedule Provisions (GRSPs).

- (a) “Appendix 1” (02/25/08 Version) means the electronic form on which «Customer Name» reports its Contract System Costs and other necessary data to BPA for the calculation of «Customer Name»’s ASC.
- (b) “Average System Cost” (02/25/08 Version) means the rate charged by «Customer Name» to BPA for the agency’s purchase of power from «Customer Name» under section 5(c) of the Northwest Power Act for each Exchange Period and is the quotient obtained by dividing Contract System Costs by Contract System Load.
- (c) “ASC Methodology” (02/25/08 Version) means a methodology, as may be amended or superseded, used to determine ASC, as developed by BPA pursuant to section 5(c)(7) of the Northwest Power Act and attached hereto for ease of reference only as Exhibit D.
- (d) “Contract System Costs” (02/25/08 Version) means «Customer Name»’s costs for production and transmission resources, including power purchases and conservation measures, which costs are includable in and subject to the provisions of Appendix 1. Under no circumstances shall Contract System

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Costs include costs excluded from ASC by section 5(C)(7) of the Northwest Power Act.

- (e) “Contract System Load” (02/25/08 Version) means the total regional retail load included in the Form 1, or for a consumer-owned utility (preference customers) the total retail load from the most recent annual audited financial statement as adjusted pursuant to the ASC Methodology.
- (f) “Diurnal” or “Diurnally” (02/25/08 Version) means the division of hours of the day between Heavy Load Hours (HLH) and Light Load Hours (LLH).
- (g) “Exchange Period” (02/25/08 Version) means the period during which «Customer Name»’s BPA-approved ASC is effective for the calculation of benefits under this Agreement. The initial Exchange Period is from October 1, 2011, through September 30, 2013. Subsequent Exchange Periods shall be the period of time concurrent with the BPA rate period beginning October 1, or the effective date of BPA’s rate period.
- (h) “Fiscal Year” or “FY” (2/28/08 Version) means the period beginning each October 1 and ending the following September 30.
- (i) “Form 1” (02/25/08 Version) means the annual filing submitted to the Federal Energy Regulatory Commission required by 18 CFR §141.1.
- (j) “Generating Resources” (02/29/08 Version) means sources or amounts of electric power from identified electricity-producing units owned by, or of which a share is owned by, «Customer Name» or «Customer Name»’s retail consumer.
- (k) “In-Lieu PF Power” (02/25/08 Version) means the power that is sold by BPA to «Customer Name» in an in-lieu transaction at the Priority Firm Power Exchange Rate, or its successor.
- (l) “In-Lieu Power” (02/25/08 Version) means power acquired by BPA from a source(s) other than «Customer Name» at a cost less than «Customer Name»’s ASC, as provided in section 5(c)(5) of the Northwest Power Act. The provisions for acquisition and delivery of In-Lieu Power shall be provided in a policy developed by BPA after this Agreement is executed (In-Lieu Power Policy).
- (m) “Jurisdiction” (02/25/08 Version) means the service territory of «Customer Name» within which a particular Regulatory Body has authority to approve «Customer Name»’s retail rates. Jurisdictions must be within the Pacific Northwest region as defined in the Northwest Power Act.
- (n) “New Large Single Load” or “NLSL” (02/28/08 Version) means a single load as defined in section 3(13) of the Northwest Power Act and in BPA’s NLSL policy.

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- (o) “Non-Generating Resources” (02/29/08 Version) means sources or amounts of electric power that «Customer Name» acquires from unidentified electricity-producing units by contract purchase from an electricity supplier.
- (p) “Northwest Power Act” (02/25/08 Version) means the Pacific Northwest Electric Power Planning and Conservation Act, P.L. 96-501.
- (q) “Pacific Northwest” or “PNW” (02/25/08 Version) shall have the same meaning given such term in the Northwest Power Act.
- (r) “Regional Power Sales Customers” (02/25/08 Version) mean any entity that can contract directly with BPA for the purchase of power under sections 5(b), 5(c), or 5(d) of the Northwest Power Act for delivery in the region as defined by section 3(14) of the Northwest Power Act.
- (s) “Residential Load” (02/25/08 Version) means the PNW residential load to which «Customer Name» sells power, as that residential load is defined in the Northwest Power Act and as further defined in Exhibit A.
- (t) “Surplus Firm Power” (02/28/08 Version) means firm power that is in excess of BPA’s obligations under sections 5(b), (c), and (d) of the Northwest Power Act, as available.
- (u) “Transmission Component of ASC” (02/25/08 Version) means the portion of «Customer Name»’s ASC attributable to transmission, as described in the In-Lieu Power Policy.
- (v) “Uncontrollable Forces” (02/25/08 Version) shall have the meaning specified in section 15.

3. APPLICABLE PF RATE (02/25/08 Version)

Purchases from BPA under this Agreement are subject to the Priority Firm Power Exchange (PF Exchange) rate and applicable GRSPs, or their successors. Sections 6 and 7 of the body of this Agreement establish purchases subject to the PF Exchange rate schedule.

The initial PF Exchange rate for purchases from BPA under this Agreement beginning October 1, 2011, shall be as established in BPA’s 2012 Wholesale Power Rate Schedules. BPA agrees that the PF Exchange rate and associated GRSPs, as approved on an interim or final basis by the Federal Energy Regulatory Commission, available to «Customer Name» during each Exchange Period, shall not be subject to revision during each such Exchange Period, except for the application of a Cost Recovery Adjustment Clause(s) as provided for in the applicable PF rate schedule and GRSPs and this Agreement.

4. ESTABLISHMENT OF ASC TO ACTIVATE AGREEMENT (02/25/08 Version)

Following the execution of this Agreement, «Customer Name» may activate its participation under this Agreement by filing an Appendix 1, pursuant to the terms of Exhibit D of this Agreement. Once «Customer Name» files an initial Appendix 1 under this Agreement, «Customer Name» shall continue to file a new Appendix 1 for

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each subsequent Exchange Period, unless «Customer Name» elects to terminate this Agreement pursuant to section 11 below. The Appendix 1 shall be based on the costs required by the ASC Methodology attached hereto as Exhibit D, and loads for the rate schedules then in effect. Upon filing an Appendix 1, «Customer Name» shall commence invoicing for Residential Load on the later of the date of such filing or October 1, 2011.

The purchase and sale transactions pursuant to sections 5 and 6 below are for the purpose of determining monetary benefits, if any, to be paid by BPA to «Customer Name». Sale transactions where BPA has acquired In-Lieu Power instead of purchasing electric power offered pursuant to section 5, shall be determined in accordance with section 7.

5. OFFER BY «CUSTOMER NAME» AND PURCHASE BY BPA (02/25/08 Version)

Following the filing of an Appendix 1 under section 4 above, «Customer Name» shall offer and BPA shall purchase each month an amount of electric power equal to the Residential Load. The monthly amounts of Residential Load, for purposes of determining monetary benefits, shall be the amounts determined pursuant to Exhibit A, less: (a) any amounts of Residential Load with respect to which BPA has issued a notice of the election (pursuant to section 7) to acquire In-Lieu Power and «Customer Name» has elected to receive the In-Lieu PF Power pursuant to section 7 below; or (b) any amounts of Residential Load suspended pursuant to section 7(c) below. The rate for such power sale to BPA shall be equal to «Customer Name»'s ASC, as determined by BPA using the ASC Methodology, attached hereto as Exhibit D for ease of reference only. «Customer Name» may only sell power under this section 5 for Residential Load that is associated with eligible Residential Load in the PNW where «Customer Name» is authorized under State law or by order of the applicable State regulatory authority to serve Residential Load. However, «Customer Name» may sell power for the residential loads of another utility when it is acting as the agent for such other utility, if «Customer Name» has entered into an agreement with the other utility that has been approved by BPA and which may be terminated at will by the other utility.

6. SALE BY BPA AND PURCHASE BY «CUSTOMER NAME» (02/25/08 Version)

Following the filing of an Appendix 1 for any Jurisdiction under section 4 above, BPA shall offer and «Customer Name» shall purchase each month an amount of electric power equal to the Residential Load. The monthly amounts of Residential Load, for purposes of determining monetary benefits, shall be the amounts determined pursuant to Exhibit A, less: (a) any amounts of Residential Load with respect to which BPA has issued an in-lieu notice pursuant to section 7(b) and «Customer Name» has elected to receive the In-Lieu PF Power pursuant to section 7 below; or (b) amounts of Residential Load suspended pursuant to section 7(c) below. The rate for such power sale to «Customer Name» shall be BPA's PF Exchange rate. For billing purposes, «Customer Name»'s load factor shall be determined pursuant to Exhibit B.

7. IN-LIEU TRANSACTIONS (02/25/08 Version)

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(a) **BPA's Right to In-Lieu**

Rather than purchase all or a portion of the electric power offered to BPA pursuant to section 5 by «Customer Name» at a rate equal to its ASC, BPA may acquire In-Lieu Power if the cost of such power is less than «Customer Name»'s ASC. The ASC used for issuing an in-lieu notice shall be either the most current Appendix 1 filing under this Agreement or final ASC established under this Agreement.

(b) **In-Lieu Notice(s)**

BPA shall provide «Customer Name» a minimum period advance written notice of its election to acquire In-Lieu Power, and shall include in the notice the following information: the source(s) of In-Lieu Power, the amount of In-Lieu PF Power, the shape of In-Lieu Power, the cost of such In-Lieu Power, the term of the In-Lieu PF Power sale, and the point or points of delivery. Such minimum period shall be established by the In-Lieu Power Policy (but in no event shall be less than 90 days).

(1) **Source(s) of In-Lieu Power**

The sources of In-Lieu Power shall be defined in the In-Lieu Power Policy.

(2) **Amount of In-Lieu PF Power**

The monthly amounts of In-Lieu PF Power shall be based on forecasts of «Customer Name»'s Residential Load using the then-current Appendix 1 filing under this Agreement or final ASC determination under this Agreement. «Customer Name» shall identify the portion of its contract system load, as described in Exhibit D, that is Residential Load at the time it files an Appendix 1 under this Agreement in the manner described in section 7(f). BPA may issue an in-lieu notice for all or a percentage portion of «Customer Name»'s Residential Load.

(3) **Expected Costs of In-Lieu Power**

BPA shall identify its expected costs of In-Lieu Power in the in-lieu notice. Such expected costs shall consist of BPA's forecast of the wholesale costs of supplying In-Lieu Power to the delivery point in the amount and in the shape identified in the in-lieu notice. Such expected costs of the In-Lieu Power shall be developed in accordance with procedures described in the In-Lieu Power Policy and include: the cost of transmission and losses to integrate the power into the BPA system, to the extent they are incurred; the costs of the power shaped to meet a uniform percentage of Diurnally differentiated monthly amounts of Residential Load identified in the in-lieu notice; the costs of additional operating reserves if such reserves are necessary under Western System Coordinating Council procedures; the product of the Transmission Component of ASC multiplied by the amount of In-Lieu PF Power; and the costs that BPA incurs to deliver the In-Lieu PF Power to the point of delivery as described below.

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The expected cost of In-Lieu Power shall include the costs of wheeling the power from BPA's system to the point of delivery unless the source of the In-Lieu Power is delivered directly to the point of delivery. Any transmission cost or losses incurred to deliver the In-Lieu Power directly to the point of delivery shall be treated as a cost to integrate the power into the BPA system.

(4) **Term and Quality of the In-Lieu PF Power Sale**

The In-Lieu PF Power will be firm power offered by BPA for Contract Years for a period of one year or multiples thereof BPA may issue multiple in-lieu notices.

(c) **«Customer Name» Election to Either Receive In-Lieu PF Power or Reduce ASC**

Within a minimum period (as described below) following the receipt of BPA's notice to acquire In-Lieu Power pursuant to section 7(b) above, «Customer Name» shall provide BPA written notice of its election to either receive and pay for all or a portion of the In-Lieu PF Power or to not receive In-Lieu PF Power and instead reduce its ASC for all or a portion of the In-Lieu Power to the expected cost of the In-Lieu Power. If «Customer Name» elects to reduce its ASC to the expected cost of the In-Lieu Power, and the expected cost of such In-Lieu Power is less than the PF Exchange Rate, then «Customer Name» may suspend its sale and purchase under sections 5 and 6 of this agreement for all or a portion of the amount of Residential Load that BPA proposes to serve with In-Lieu PF Power, for the duration of time specified in the In-Lieu notice. «Customer Name»'s election under this section shall be based on all or a percentage portion of «Customer Name»'s Residential Load that BPA has specified in its in-lieu notice. Amounts suspended under this section 7(c) shall not be added to «Customer Name»'s payment balancing account under section 12. Such minimum period shall be established by the In-Lieu Power Policy (but shall in no event be a period less than 15 days). If «Customer Name» fails to notify BPA of its election under this section, then «Customer Name» shall be deemed to have agreed to receive and pay for all of the In-Lieu PF Power specified in such notice.

(d) **Delivery of and Payment for In-Lieu PF Power**

In-Lieu PF Power shall be delivered to the transmission system connected to «Customer Name»'s distribution system. All In-Lieu PF Power deliveries shall be scheduled. «Customer Name» shall pay BPA for In-Lieu PF Power made available for delivery at the PF Exchange Rate. For any month that «Customer Name» pays BPA for such In-Lieu PF Power, BPA shall pay to «Customer Name» an amount equal to the product of the Transmission Component of ASC multiplied by the amount of such In-Lieu PF Power.

(e) **Scheduling of In-Lieu PF Power**

«Customer Name» shall preschedule In-Lieu PF Power in accordance with the provisions described in Exhibit E.

(f) **Shaping of In-Lieu PF Power**

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In-Lieu PF Power will be delivered in monthly amounts shaped to «Customer Name»'s monthly Residential Load (e.g., if «Customer Name»'s January Residential Load is 12 percent of its annual Residential Load, In-Lieu PF Power deliveries for January will be 12 percent of annual In-Lieu PF Power deliveries). Such monthly amounts shall be based on data used by «Customer Name» to establish its then-current rates, and shall be supplied to BPA with its forecast of Residential Load. «Customer Name» shall supply a monthly forecast of Residential Load, and the diurnal amounts of Residential Load when it files its Appendix 1. Deliveries within each month will be in equal hourly amounts during each HLH and in equal hourly amounts during each LLH, for each monthly period based on the load shape data in «Customer Name»'s forecast of Residential Load. If BPA does not have, or is not provided adequate load shape data, BPA will determine the load shape of the In-Lieu PF Power based on the average load shape of its preference customer class. Adequately documented load shape data shall include, but not be limited to, data that are verifiable through published sources. The load shape established for each notice will continue for the duration of the In-Lieu PF Power transaction.

8. BILLING AND PAYMENT (02/25/08 Version)

- (a) «Customer Name» shall submit to BPA for each month an accounting invoice that indicates the amount of Residential Load billed to retail customers during such month. Such documentation shall include the kilowatt-hours of energy which «Customer Name» billed to the Residential Load. Although subject to adjustment, this amount shall be deemed to be equal to the amount of Residential Load. The amount of power purchased and sold under this Agreement for the determination of monetary benefits pursuant to sections 5 and 6 is the amount of Residential Load shown on the invoice under this section 8(a), reduced by: (1) amounts served with In-Lieu PF Power under section 7 above; or (2) amounts of Residential Load suspended pursuant to section 7(c) above. The monthly amounts of In-Lieu PF Power billed under this Agreement shall be the monthly amounts specified in the in-lieu notice.

- (b) **Billing** (02/28/08 Version revised for RPSA)
Within 30 days following the receipt of each monthly invoice from «Customer Name» subject to section 9 below, BPA shall verify the invoice, compute the net amount due «Customer Name» from the sale under section 5 and the amount due BPA from the sale under section 6, compute the amount, if any, due BPA for a sale of In-Lieu PF Power under section 7, and either pay or bill «Customer Name» for the difference, as appropriate.

BPA may send «Customer Name» an estimated bill followed by a final bill if amounts are due BPA for a month. BPA shall send all bills on the bill's issue date either electronically or by United States mail. If electronic transmittal of the entire bill is not practical, BPA shall transmit a summary electronically, and send the entire bill by United States mail.

- (c) **Payment** (10/17/07 Version)

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«Customer Name» shall pay all bills electronically in accordance with instructions on the bill. Payment of all bills, whether estimated or final, must be received by the 20th day after the issue date of the bill (Due Date). If the 20th day is a Saturday, Sunday, or federal holiday, the Due Date is the next business day. If «Customer Name» has made payment on an estimated bill then:

- (1) if the amount of the final bill exceeds the amount of the estimated bill, «Customer Name» shall pay BPA the difference between the estimated bill and final bill by the final bill's Due Date; and
- (2) if the amount of the final bill is less than the amount of the estimated bill, BPA shall pay «Customer Name» the difference between the estimated bill and final bill by the 20th day after the final bill's issue date. If the 20th day is a Saturday, Sunday, or federal holiday, the difference shall be paid by the next business day.

(d) **Disputed Bills** *(10/17/07 Version revised for RPSA)*

If «Customer Name» disputes any portion of a bill, «Customer Name» shall provide notice to BPA with a copy of the bill noting the disputed amounts. If any portion of the bill is in dispute, «Customer Name» shall pay the entire bill by the Due Date. Unpaid bills (including both disputed and undisputed amounts) are subject to late payment charges provided above. If the Parties agree, or if it is determined after dispute resolution, that «Customer Name» is entitled to a refund or additional payment for any portion of the disputed amount, BPA shall make such refund or provide such additional payment with a simple interest computed from the date of receipt of the disputed payment to the date the refund or additional payment is made. The daily interest rate shall equal the Prime Rate (as reported in the Wall Street Journal in the first issue published during the month in which payment was due) divided by 365.

- (e) BPA may require that «Customer Name» supply BPA with commercially reasonable credit information. In the event that «Customer Name» does not satisfy BPA's credit test based on the information provided, BPA may, at its option, require «Customer Name» to deposit payments received from BPA into an escrow account.

9. **ACCOUNTING, REVIEW, AND BUDGETING** *(02/25/08 Version)*

«Customer Name» shall keep up-to-date records, accounts, and related documents that pertain to the terms of this Agreement. These records, accounts, and documents shall contain information that supports:

- (a) «Customer Name»'s ASC as determined pursuant to Exhibit D;
- (b) identification of «Customer Name»'s eligible residential and small farm consumers;
- (c) the amount of Residential Load invoiced to BPA; and

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- (d) evidence that the benefits received by «Customer Name» have been passed through to «Customer Name»'s eligible residential and small farm consumers, as provided for in section 10 below.

At BPA's expense, BPA or its agent may, from time-to-time, review or inspect «Customer Name»'s records, accounts, and related documents pertaining to this Agreement. BPA's agent shall be subject to approval by «Customer Name»; such approval shall not be unreasonably withheld. «Customer Name» shall fully cooperate in good faith with any such reviews or inspections. BPA retains the right to take action consistent with the results of such reviews or inspections to require the passthrough of such benefits to eligible Residential Load.

BPA's right to review or inspect «Customer Name» records, accounts, and related documents pertaining to this Agreement for any year shall expire 60 months after the end of such year. As long as BPA has such right to review or inspect, «Customer Name» agrees to maintain such records, accounts, and related documents.

If BPA determines that «Customer Name» has received monetary benefits for ineligible load or other errors in implementing this Agreement, then any overpayment shall be returned to BPA within 30 days of BPA's determination, or BPA may adjust future monetary benefit payments to «Customer Name». If BPA determines that «Customer Name» has not received monetary benefits due to «Customer Name»'s failure to submit eligible Residential Load or other errors in implementing this Agreement, then BPA shall pay «Customer Name» such monetary benefits within 30 days of BPA's determination that such benefits were not received. In the event of a dispute about any amount of overpayment, «Customer Name» shall note the dispute and return such amount of overpayment identified by BPA within 30 days of BPA's written notice of such determination. Such disputed amounts shall be treated as disputed payment amounts under section 8(d) above.

10. PASSTHROUGH OF BENEFITS (02/25/08 Version)

- (a) Monetary benefits received by «Customer Name» under this Agreement shall not be included by «Customer Name» as a revenue, expense, or cost of «Customer Name» in its accounting used in establishing «Customer Name»'s revenue requirement for its retail rates.
- (b) Except as otherwise provided in this Agreement, monetary amounts received by «Customer Name» from BPA under this Agreement shall be passed through, in full, to each residential and small farm consumer, as a credit against the charges for electric service to «Customer Name»'s qualified residential and small farm consumers. Benefits from In-Lieu PF Power received by «Customer Name» shall, subject to review by the applicable State regulatory authority, be passed through in full as a credit against the charges for electric service to «Customer Name»'s qualified residential and small farm consumers.

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- (c) Monetary payments shall be distributed to the Residential Load in a timely manner. The amount of benefits held in the account described in section 10(d) at any time shall not exceed the expected receipt of monetary payments from BPA under this Agreement over the next 180 days. If the annual monetary payment is less than \$600,000, then «Customer Name» may distribute benefits on a less frequent basis provided that distributions are made at least once each year.
- (d) Monetary payments shall be identified on «Customer Name»'s books of account. Funds shall be held in an interest bearing account, and shall be maintained as restricted funds, unavailable for the operating or working capital needs of «Customer Name». Benefits shall not be pooled with other monies of «Customer Name» for short-term investment purposes.
- (e) Nothing in this Agreement shall require any power be delivered on an unbundled basis to residential or small farm customers of «Customer Name» or that «Customer Name» provide retail wheeling of any power.

11. TERMINATION OF AGREEMENT (02/25/08 Version)

«Customer Name» may elect to terminate this Agreement within 30 days of confirmation and approval by the Federal Energy Regulatory Commission of new BPA rates (on an interim basis, or if interim approval is not granted, on a final basis) in which the supplemental rate charge provided for in section 7(b)(3) of the Northwest Power Act is applied and the PF Exchange rate charged «Customer Name» exceeds «Customer Name»'s ASC. Any such termination shall continue through what would otherwise be the full period during which such rates are in effect, but shall not continue beyond the Expiration Date.

12. PAYMENT BALANCING ACCOUNT (02/25/08 Version)

(a) Long-Term Payment Balancing Account

The account balance, if any, is deemed to be \$___ on October 1, 2011. This account balance includes a forecast of interest applied to such balance from September 1, 2000, through October 1, 2011, based on the methodology described below. BPA shall revise such balance effective October 1, 2011, to reflect actual interest costs. This account balance, if any, comprises the beginning balance for a payment balancing account described in this section. Such balance, if any, shall accumulate simple interest monthly, at an average prime rate charged by banks for each calendar quarter beginning October 1, 2011. The applicable average prime rate for each calendar quarter shall be the arithmetic mean, to the nearest one-hundredth of 1 percent, of the prime rate values published in the Federal Reserve's "Selected Interest Rates" (Statistical Release G. 13) for the fourth, third, and second months preceding the first month of the calendar quarter.

(b) Annual Payment Balancing Account

Whenever the ASC is less than BPA's then-current PF Exchange rate during the term of this Agreement, the payment that would otherwise be owed BPA

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will be tracked by BPA and debited to a separate payment balancing account. BPA shall examine such payment balancing account during the 13th month following the initial debit and each month thereafter. If the ending balance in such account is greater than the ending balance in the account 12 months earlier, then the ending balance in the account 12 months earlier shall be subtracted from this account and added to the long-term payment balancing account described in section 12(a) above.

(c) **Resumption of Monetary Benefits**

If there is a balance in the long-term balancing account or the annual payment balancing account and the ASC is greater than the applicable Priority Firm Power Exchange Rate, BPA will make no cash payments but will apply the amount that would have been paid in order to reduce the account balance. These amounts will first be applied to the long-term balancing account and then the annual payment balancing account.

«Customer Name» will resume performance of this Agreement and will receive exchange payments from BPA provided that there is no longer a debit balance in either payment balancing account, or «Customer Name» makes payments to BPA to bring the debit balance in the long-term payment balancing account to zero.

(d) **Account Balance Carry Over**

Any balance in either payment balancing account, upon termination of this Agreement, shall not be a cash obligation of «Customer Name» but will carry over to the payment balancing account of the next RPSA.

13. NOTICES AND CONTACT INFORMATION (02/08/08 Version)

Any notice required under this Agreement shall be in writing and shall be delivered in person or with proof of receipt by a nationally recognized delivery service or by United States Certified Mail. Notices are effective when received. Either Party may change the name or address for receipt of notice by providing notice of such change. The Parties shall deliver notices to the following person and address: *(Drafter's Note: Check BPA address and phone number prefix to ensure it is applicable.)*

If to «Customer Name»:

« Street Address »

« P.O. Box »

« City, State, Zip »

Attn: « »

« »

Phone: « - - »

FAX: « - - »

E-Mail: « »

If to BPA:

Bonneville Power Administration

« Street Address »« P.O. Box »

« City, State, Zip »

Attn: « - »

Account Executive

Phone: « - - »

FAX: « - - »

E-Mail: « »

14. NO WARRANTY *(2/20/08 Version)*

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Nothing in this Agreement, or any dispute arising out of this Agreement, shall limit the Administrator's responsibility to recover costs and timely repay the U.S. Treasury or to take actions that are effectively required by a court order. It is the Parties' intent to structure a durable commercial relationship that is based on existing statutory requirements and to provide «Customer Name» with protection against change to those guiding statutes as is reasonably possible. However, BPA will not warrant or represent that this Agreement is immune from costs imposed by court order or agency regulations of a general and public nature or is immune from subsequently enacted legislation.

15. UNCONTROLLABLE FORCES *(09/04/07 Version)*

The Parties shall not be in breach of their respective obligations to the extent the failure to fulfill any obligation is due to an Uncontrollable Force. "Uncontrollable Force" means an event beyond the reasonable control of, and without the fault or negligence of, the Party claiming the Uncontrollable Force, that prevents that Party from performing its contractual obligations under this Agreement and which, by exercise of that Party's reasonable diligence and foresight, such Party was unable to avoid. Uncontrollable Forces include, but are not limited to:

- (a) any unplanned curtailment or interruption of firm transmission service used to deliver power sold under this Agreement to «Customer Name»;
- (b) any planned curtailment or interruption of long-term firm transmission service used to deliver power sold under this Agreement to «Customer Name» if such curtailment or interruption occurs on BPA's or a third party's transmission system;
- (c) any failure of «Customer Name»'s distribution or transmission facilities that prevents «Customer Name» from delivering power to end-users;
- (d) strikes or work stoppage;
- (e) floods, earthquakes, or other natural disasters; and
- (f) orders or injunctions issued by a court or regulatory body having competent subject matter jurisdiction which the Party claiming the Uncontrollable Force, after diligent efforts, was unable to have stayed, suspended, or set aside pending review by a court of competent subject matter jurisdiction.

Neither the unavailability of funds or financing, nor conditions of national or local economies or markets shall be considered an Uncontrollable Force. The economic hardship of either Party shall not constitute an Uncontrollable Force. Nothing contained in this provision shall be construed to require either Party to settle any strike or labor dispute in which it may be involved.

If an Uncontrollable Force prevents a Party from performing any of its obligations under this Agreement, such Party shall: (1) immediately notify the other Party of such Uncontrollable Force by any means practicable and confirm such notice in writing as soon as reasonably practicable; (2) use its best efforts to mitigate the

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effects of such Uncontrollable Force, remedy its inability to perform, and resume full performance of its obligation hereunder as soon as reasonably practicable; (3) keep the other Party apprised of such efforts on an ongoing basis; and (4) provide written notice of the resumption of performance. Written notices sent under this section must comply with section 12, Notices and Contact Information.

16. **GOVERNING LAW AND DISPUTE RESOLUTION** (02/28/08 version revised for RPSA)

This Agreement shall be interpreted consistent with and governed by federal law. The Parties shall identify issue(s) in dispute and make a good faith effort to negotiate a resolution of disputes before either Party may initiate litigation or arbitration. Such good faith effort shall include discussions or negotiations between the Parties' executives or managers. During a contract dispute or contract issue between the Parties arising out of this Agreement, the Parties shall continue performance under this Agreement pending resolution of the dispute, unless to do so would be impossible or impracticable. Both Parties reserve the right to seek judicial resolution of any dispute arising under this Agreement.

- (a) **Judicial Resolution.** Final actions subject to section 9(e) of the Northwest Power Act are not subject to arbitration and shall remain within the exclusive jurisdiction of the United States Ninth Circuit Court of Appeals. Any dispute regarding any rights of the Parties under any BPA policy, including the implementation of such policy, shall not be subject to arbitration under this Agreement. For purposes of this section 16, BPA policy means any written document adopted by BPA as a final action in a decision record or record of decision that establishes a policy of general application, or makes a determination under an applicable statute. If either Party asserts that a dispute is excluded from arbitration under this section 16, either Party may apply to the federal court having jurisdiction for an order determining whether such dispute is subject to arbitration under this section 16.
- (b) **Arbitration.** Any contract dispute or contract issue between the Parties arising out of this Agreement, except for disputes that are excluded by subsection 16(a) above, shall be subject to binding or non-binding arbitration pursuant to the principles set forth in this subsection 16(b). During arbitration, the Parties shall continue performance under this Agreement pending resolution of the dispute, unless to do so would be impossible or impracticable.
 - (1) **Binding Arbitration.** Binding arbitration shall be used to resolve disputes that Parties agree are strictly (1) issues of fact, or (2) application of clear and unambiguous policy to fact. Before initiating binding arbitration, the Parties shall draft and sign an agreement to engage in binding arbitration, which shall set forth the precise issue in dispute and the amount in controversy, pursuant to BPA's Binding Arbitration Policy or its successor. No binding arbitration award shall exceed \$XXXXX.

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- (2) Non-binding Arbitration. All arbitrable disputes that are not subject to binding arbitration under this section shall be subject to non-binding arbitration.
- (c) Arbitration Procedure. Any arbitration shall take place in Portland, Oregon, unless the Parties agree otherwise. The Parties agree that a fundamental purpose for arbitration is the expedient resolution of disputes; therefore, the Parties shall make best efforts to resolve an arbitrable dispute within one year of initiating arbitration. If the Parties cannot agree upon three arbitrators on the list within 20 business days, the Parties shall take turns striking names from the list of proposed arbitrators. The Party initiating the arbitration shall take the first strike. This process shall be repeated until three arbitrators remain on the list, and those individuals shall be designated as the arbitrators.
- (d) Arbitration Remedies. Except for arbitration awards which declare the rights and duties of the Parties under this Agreement, the payment of monies shall be the exclusive remedy available in any arbitration proceeding. Under no circumstances shall specific performance be an available remedy against BPA.
- (e) Finality.
 - (1) Binding Arbitration. In binding arbitration, the arbitration award shall be final and binding on both Parties, except that either Party may seek judicial review based upon any of the grounds referred to in the Federal Arbitration Act, 9 U.S.C. §1-16 (1988). Judgment upon the award rendered by the arbitrators may be entered by any court having jurisdiction thereof.
 - (2) Non-binding Arbitration. In non-binding arbitration, the arbitration award is not binding on the Parties. Subsequent to non-binding arbitration, Parties may seek judicial resolution of the dispute.
- (f) Arbitration Costs. Each Party shall be responsible for its own costs of arbitration, including legal fees. The arbitrators may apportion all other costs of arbitration between the Parties in such manner as they deem reasonable taking into account the circumstances of the case, the conduct of the Parties during the proceeding, and the result of the arbitration.

17. STATUTORY PROVISIONS

- (a) **Retail Rate Schedules (09/04/07 Version)**
«Customer Name» shall provide BPA with its retail rate schedules, as required by section 5(a) of the Bonneville Project Act, P.L. 75-329, within 30 days of each of «Customer Name»'s retail rate schedule effective dates.
- (b) **New Large Single Loads**

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- (1) **Determination of an NLSL** *(02/28/08 revised for RPSA)*

The Parties may agree that the installed production equipment at a facility will exceed 10 average megawatts consumption over 12 consecutive months and such agreement shall be binding determination. Alternately, except as provided in subsection (2), below, BPA shall determine an increase in production load to be an NLSL if the energy consumption of the end-use consumer's load associated with a single new facility, an existing facility, or expansion of an existing facility during the immediately past consecutive 12 months equals or exceeds by 10 average megawatts (87,600,000 kilowatt hours) the greater of:

 - (A) the end-use consumer's energy consumption for such facility for the consecutive 12 months one year earlier, or
 - (B) the amount of the contracted for, or committed to (CF/CT) load of the end-use consumer as of September 1, 1979.
- (2) **Determination of a Facility** *(9/4/07 Version)*

BPA shall make a written determination as to what constitutes a single facility, for the purpose of identifying an NLSL, based on the following criteria:

 - (A) whether the load is operated by a single end-use consumer;
 - (B) whether the load is in a single location;
 - (C) whether the load serves a manufacturing process which produces a single product or type of product;
 - (D) whether separable portions of the load are interdependent;
 - (E) whether the load is contracted for, served or billed as a single load under «Customer Name»'s customary billing and service policy;
 - (F) consideration of the facts from previous similar situations; and
 - (G) any other factors the Parties determine to be relevant.
- (3) **Administrative Obligations and Rights** *(11/30/07 Version revised for RPSA)*

All «Customer Name»'s NLSLs and CF/CT loads are listed in Exhibit C, New Large Single Loads.

«Customer Name» shall provide reasonable notice to BPA of any expected increase in a single load that may qualify as an NLSL. The Parties shall list any such potential NLSLs in Exhibit C, New Large Single Loads.

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Upon request from BPA, «Customer Name» shall provide access to its substations and other service locations that BPA needs to inspect for purposes of implementing section 3(13) of the Northwest Power Act, including but not limited to making an NLSL, a facility, or a CF/CT determination. «Customer Name» shall also require the end-use consumer to provide BPA physical access to inspect any facility for these purposes. After consultation with «Customer Name», BPA shall unilaterally determine whether the new load or the increase in load is an NLSL. If BPA determines that the load is an NLSL BPA shall notify «Customer Name» and the Parties shall add the NLSL to Exhibit C, New Large Single Loads.

(4) **Service Elections for an NLSL** *(02/28/08 Version revised for RPSA)*

«Customer Name» shall serve all NLSLs with non-federal firm resources that are not already dedicated to serve its firm consumer load in the region. Under no circumstances shall BPA be required to acquire firm power for service to such NLSLs.

(5) **Renewable Resource/Cogeneration Exception** *(12/26/07 Version, revised for RPSA)*

«Customer Name» may arrange to have its end-use consumer, with an NLSL determination, reduce its NLSL to less than 10 average megawatts by applying an on-site renewable resource or on-site cogeneration to its facility load. Such resource must be continuously applied to serve the NLSL. Such an NLSL load is subject to BPA's "Renewables and On-Site Cogeneration Option under the NLSL Policy" portion of its Policy for Power Supply Role for Fiscal Years 2007-2011, adopted February 4, 2005, and the NLSL policy included in BPA's Long Term Regional Dialogue Final Policy, July 2007, as amended or replaced. If the NLSL end-use consumer qualifies for the exception, the Parties shall amend Exhibit C, New Large Single Loads, by adding the on-site renewable resource or cogeneration facility and the requirements for such service.

(6) **Metering an NLSL** *(02/28/08 Version)*

«Customer Name» shall pay for and install all meters for any loads that are being monitored by BPA for an NLSL determination.

«Customer Name» shall pay for and install all meters, and separately meter all loads, at any facility that is determined by BPA to be an NLSL.

(c) **Priority of Pacific Northwest Customers** *(09/04/07 Version)*

The provisions of sections 9(c) and (d) of the Northwest Power Act and the provisions of P.L. 88-552 as amended by the Northwest Power Act are incorporated into this Agreement by reference. «Customer Name», together with other customers in the Region, shall have priority to BPA power consistent with such provisions.

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(d) Use of Regional Resources *(02/28/08 Version)*

- (1) Within 60 days prior to the start of each Fiscal Year, «Customer Name» shall provide notice to BPA of any firm power from a Generating Resource, or a Non-Generating Resource during its term, that has been used to serve firm consumer load in the Region and that «Customer Name» plans to export for sale outside the Region in the next Fiscal Year. BPA may request additional information on «Customer Name»'s sales and dispositions of non-federal resources if BPA has information that «Customer Name» may have made such an export and not notified BPA. BPA may request and «Customer Name» shall provide within 30 days of such request, information on the planned use of any or all of «Customer Name»'s Generating and Non-Generating Resources.[]
- (2) «Customer Name» shall be responsible for monitoring any firm power from Generating Resources and Non-Generating Resources it sells in the Region to ensure such firm power is planned to be used to serve firm consumer load in the Region.
- (3) If «Customer Name» fails to report to BPA in accordance with subsection (1), above, any of its planned exports for sale outside the Region of firm power from a Generating Resource or a Non-Generating Resource that has been used to serve firm consumer load in the Region, and BPA makes a finding that an export which was not reported was made, BPA shall decrement the amount of Firm Requirements Power sold under this Agreement by the amount of the export that was not reported, for the duration of the export.
- (4) For purposes of this section, an export for sale outside the Region means a contract for the sale or disposition of firm power from a Generating Resource, or a Non-Generating Resource during its term, that has been used to serve firm consumer load in the Region in a manner that such output is no longer used or not planned to be used solely to serve firm consumer load in the Region. Delivery of firm power outside the Region under a seasonal exchange agreement that is made consistent with BPA's section 9(c) policy will not be considered an export. Firm power from a Generating Resource or Non-Generating Resource used to serve firm consumer load in the Region means the firm generating or load carrying capability of a Generating Resource or Non-Generating Resource as established under Pacific Northwest Coordination Agreement resource planning criteria, or other resource planning criteria generally used for such purposes within the Region.

(e) BPA Appropriations Refinancing *(09/04/07 Version)*

The Parties agree that the Bonneville Power Administration Refinancing section of the Omnibus Consolidated Recisions and Appropriations Act of

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1996 (The BPA Refinancing Act), P.L. No. 104-134, 110 Stat. 1321, 350, as stated in the United States Code on the date this Agreement is signed by the Parties, is incorporated by reference and is a material term of this Agreement.

18. STANDARD PROVISIONS (revised for RPSA)

- (a) **Amendments** (09/04/07 Version)
Except where this Agreement explicitly allows for one Party to unilaterally amend a provision or exhibit, no amendment of this Agreement shall be of any force or effect unless set forth in a written instrument signed by authorized representatives of each Party.
- (b) **Entire Agreement and Order of Precedence** (09/26/07 Version)
This Agreement, including documents expressly incorporated by reference, constitutes the entire agreement between the Parties. It supersedes all previous communications, representations, or contracts, either written or oral, which purport to describe or embody the subject matter of this Agreement. The body of this Agreement shall prevail over the exhibits to this Agreement in the event of a conflict.
- (c) **Assignment** (09/04/07 Version)
This Agreement is binding on any successors and assigns of the Parties. Neither Party may otherwise transfer or assign this Agreement, in whole or in part, without the other Party's written consent. Such consent shall not be unreasonably withheld. BPA's refusal to consent to assignment shall not be considered unreasonable if the sale of power by BPA to the assignee would violate any applicable statute. «Customer Name» may not transfer or assign this Agreement to any of its retail consumers.
- (d) **No Third-Party Beneficiaries** (10/01/07 Version)
This Agreement is made and entered into for the sole benefit of the Parties, and the Parties intend that no other person or entity shall be a direct or indirect beneficiary of this Agreement.
- (e) **Waivers** (10/01/07 Version)
No waiver of any provision or breach of this Agreement shall be effective unless such waiver is in writing and signed by the waiving Party, and any such waiver shall not be deemed a waiver of any other provision of this Agreement or any other breach of this Agreement.
- (f) **BPA Policies** (09/04/07 Version)
Any reference in this Agreement to BPA policies, including any revisions, does not constitute agreement of «Customer Name» to such policy by execution of this Agreement, nor shall it be construed to be a waiver of the right of «Customer Name» to seek judicial review of any such policy.
- (g) **Hold Harmless** (09/04/07 Version)

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Each Party assumes all liability for injury or damage to persons or property arising from the act or negligence of its own employees, agents, members of governing bodies, or contractors. Each Party shall indemnify and hold the other Party harmless from any liability arising from such act or negligence.

19. NOTICE PROVIDED TO RESIDENTIAL AND SMALL FARM CONSUMERS

(02/25/08 Version)

«Customer Name» will ensure that any entity that issues customer bills to «Customer Name»'s residential and small farm consumers shall provide written notice on such customer bills that the benefits of this Agreement are "Federal Columbia River Benefits supplied by BPA."

20. INFORMATION EXCHANGE AND CONFIDENTIALITY *(02/25/08 Version revised for RPSA)*

(a) Information Exchange

The Parties shall provide each other with any information that is necessary to administer this Agreement.

(b) Confidentiality *(01/17/08 Version)*

Before «Customer Name» provides information that is subject to a privilege of confidentiality or nondisclosure to BPA, «Customer Name» shall clearly mark such information as confidential. BPA shall notify «Customer Name» as soon as practicable of any request received under the Freedom of Information Act (FOIA), or under any other federal law or court or administrative order, for any confidential information. BPA shall only release such confidential information to comply with FOIA or if required by any other federal law or court or administrative order. BPA will limit the use and dissemination of confidential information within BPA to employees who need it for purposes of administering this Agreement.

Drafter's Note: Include the following section 21 ONLY for IOUs

21. ADJUSTMENTS TO MONETARY BENEFITS

The monetary benefits provided «Customer Name» under this Agreement shall be subject to adjustment by BPA to account for the overpayment of benefits under the Residential Exchange Program Settlement Agreement, Contract No. _____, as amended, during FY 2002 through FY 2007. Any such adjustments shall be limited to those formally established by BPA in its wholesale power rate adjustment proceedings or other forums established by BPA for the determination of the amount of overpayment to be recovered and the recovery period.

End section 21 for IOUs only

Drafter's Note: Include the following section 21 ONLY for any public customer that executed a Regional Dialogue contract in 2008 that included a CHWM, but later decides to exercise their rights to the Public Exchange.

21. RESTRICTION ON RIGHT TO EXCHANGE COSTS OF RESOURCES ACQUIRED AFTER SEPTEMBER 30, 2006

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«Customer Name» agrees that, for purposes of determining ASC, «Customer Name» shall only include in each Appendix 1 filing the costs of resources that were acquired on or before September 30, 2006.

End section 21 for public customers only

22. SIGNATURES *(10/01/07) Version*

The signatories represent that they are authorized to enter into this Agreement on behalf of the Party for which they sign.

«FULL NAME OF UTILITY»

UNITED STATES OF AMERICA
Department of Energy
Bonneville Power Administration

By _____

By _____

Name _____
(Print/Type)

Name _____
(Print/Type)

Title _____

Title _____

Date _____

Date _____

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Exhibit A
RESIDENTIAL LOAD DEFINITION

1. «Customer Name»'s Residential Load means the sum of the loads within the Pacific Northwest eligible for the Residential Exchange Program under the tariff schedules described below, adjusted for distribution losses as determined pursuant to Exhibit D, as such Exhibit D may be revised, supplemented, or superseded. If BPA determines that any action changes «Customer Name»'s general tariffs or service schedules in a manner which would allow loads other than Residential Loads, as defined in the Northwest Power Act, to be included under these tariff schedules, or that the original general tariffs or service schedules include loads other than Residential Loads, such nonresidential loads shall be excluded from this Agreement.

Such tariff schedules as presently effective include:

- (a) for all schedules listed below, include the amount, expressed in kilowatt-hours, of Residential Load supplied by «Customer Name» under:
- (1) *[schedule]*
 - (2) *[schedule]*
 - (3) *[schedule]*
- (b) a portion of the Residential Load as determined pursuant to section 2 of this Exhibit A, supplied by the Utility under the Northwest Power Act, section 5(c).
2. Any farm's monthly irrigation and pumping load qualifying hereunder for each billing period shall not exceed the amount of the energy determined by the following formula:

$$\text{Irrigation/Pumping Load} = 400 \times 0.746 \times \text{days in billing period} \times 24$$

provided, however, that this amount shall not exceed that farm's measured energy for the same billing period.

where:

400	is equal to the horsepower limit defined in the Northwest Power Act,
0.746	is the factor for converting horsepower to kW,
days in billing period	is determined in accordance with prudent and normal utility business practices, and
24	is the number of hours in a day.

3. When more than one farm is supplied from a common pumping installation, the irrigation and pumping load of the installation shall be allocated among the farms using the installation, based on the method (e.g., water shares, acreage) that the farms use to allocate the power costs among themselves. These allocated loads shall

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then be combined with any other irrigation and pumping loads attributed to the farms under section 2 of this exhibit. In no instance shall any farm's total qualifying irrigation loads for any billing month exceed 222,000 kWh.

4. A farm is defined as a parcel or parcels of land owned or leased by one or more persons (person includes partnerships, corporations, or any legal entity capable of owning farm land) that is used primarily for agriculture. Agriculture is defined to include the raising and incidental primary processing of crops, pasturage, or livestock. Incidental primary processing means those activities necessarily undertaken to prepare agricultural products for safe and efficient storage or shipment. All electrical loads ordinarily associated with agriculture as defined above shall be considered as usual farm use.

Contiguous parcels of land under single-ownership or leasehold shall be considered to be one farm. Noncontiguous parcels of land under single-ownership or leasehold shall be considered as one farm unit unless demonstrated otherwise by the owner or lessee of the parcels as determined by BPA.

Parcels of land may not be subdivided into a larger number of parcels in order to attempt to increase the number of farms. Ownership or leasehold interests in farms may not be changed in order to attempt to increase the number of farms, for example, by leases to family members or establishment of partnerships, corporations or similar devices. Acquisition of a parcel which was previously a separate farm becomes part of the single farm that acquired the parcel. In order for a noncontiguous parcel to constitute a separate farm, the farm must not share any equipment or labor with any other parcel and must maintain separate financial statements, accounting records, and tax returns as of May 1, 2000. Any new farms created after May 1, 2000, must submit an application for exchange benefits to «Customer Name» which shall then submit such application to BPA and such application must be reviewed and approved by BPA before the new farm is eligible to receive benefits. A number of additional factors may be used by BPA to determine whether noncontiguous parcels constitute one or more farms. These factors include but are not limited to:

- use
- ownership
- control
- operating practices
- distance between parcels

5. Unused irrigation allocations may not be reallocated to other farms or to another billing period.
6. The operator of a farm is required to certify to «Customer Name» all irrigation accounts, including horsepower rating for that farm, including all irrigation accounts commonly shared. The operator of a farm is required to provide «Customer Name» and BPA all documentation requested to assist in the farm determination.

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7. This Exhibit A shall be revised to incorporate additional qualifying tariff schedules, subject to BPA's determination that the loads served under these schedules are qualified under the Northwest Power Act.

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Exhibit B LOAD FACTOR SPECIFICATION

Using data from the 60 months prior to the last BPA rate filing, the monthly load factor of «Customer Name» shall be averaged over each seasonal period in BPA's demand charge according to the formula below. The seasonal period is all months of the year that the PF Exchange Rate has the same demand charge.

$$\text{Load Factor} = \frac{E}{D} \times \frac{N}{H} \text{ for each month}$$

where,

- E = the sum of the monthly energy loads in the seasonal periods «Customer Name» filed with the Federal Energy Regulatory Commission (FERC) or other appropriate body for the previous five years.
- D = the sum of the monthly peak demands in the seasonal periods «Customer Name» filed with FERC or other appropriate body for the previous five years.
- N = the number of months in the seasonal period.
- H = the sum of hours in the month for all months in the seasonal period.

If «Customer Name» acts as an agent for another utility (Principal Utility) the load factor for the portion of the purchase equal to the residential load of the Principal Utility shall be determined based on the Principal Utility's own load data.

If BPA commences billing the majority of its public agency customers on a basis other than monthly coincidental demand, «Customer Name's» load factor shall be computed from the 60-month historic data using a basis comparable to the billing criteria applied to the majority of public agencies.

The historic data used for load factor computation shall not be adjusted for normal temperature or streamflow. The historic data used for load factor computation shall only include sales to retail loads served from «Customer Name's» distribution system. «Customer Name» shall provide, at BPA's request, the necessary information regarding the incidence and timing of such sales.

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Exhibit C
NEW LARGE SINGLE LOADS

5. NEW LARGE SINGLE LOADS (12/27/07 Version)
[BEGIN Potential NLSL Options

Option 1: Include the following if customer DOES NOT have a POTENTIAL NLSL.

- (a) **Potential NLSLs**
«Customer Name» has no potential NLSLs.

Option 2: Include the following if customer has a POTENTIAL NLSL.

- (a) **Potential NLSLs**
«Customer Name» has identified the following potential NLSL(s):

End-use consumer name:

Facility location:

Potential load size and date anticipated:

Description of potential NLSL:

END Potential NLSL Options]

- (b) List of NLSLs and CF/CTs

[BEGIN NLSL OPTIONS

Option 1: Include the following if customer has no existing NLSLs.

- (1) **NLSLs**
«Customer Name» has no NLSLs.

Option 2: Include the following if customer has an existing NLSL.

- (1) **NLSLs**

Include in BLOCK and SLICE/BLOCK templates:

«Customer Name» has an NLSL and agrees to serve the NLSL with a firm resource that is not already dedicated to serve its other firm end-use consumer loads. See Exhibit A, Net Requirements.

End-use consumer name:

Facility location:

Date load determined as an NLSL:

Description of NLSL:

Manner of service:

END BLOCK and SLICE/BLOCK templates.

[BEGIN Renewable/Cogen Exception Options

Option 1: Include the following if customer has no onsite renewable or cogeneration facilities to apply to an NLSL:

- (2) **Renewable Resource/Cogeneration Exception**
«Customer Name»'s end-use consumer is not applying an on-site renewable resource or cogeneration facility to an NLSL.

Option 2: Include the following if customer has an onsite renewable or cogeneration facility to apply to an NLSL.

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(2) Renewable Resource/Cogeneration Exception

Drafter's Note: Use Revision 5 to Exhibit D under Flathead's Subscription Contract 00PB-12172 as a template and coordinate with the NLSL expert and general counsel to add specific renewable or cogeneration resource information.

END Renewable/Cogen Exception Options]

[BEGIN CF/CT OPTIONS

Option 1: Include the following if customer has no CF/CT loads.

(3) CF/CT Loads

«Customer Name» has no loads that were contracted for, or committed to (CF/CT), as of September 1, 1979, as defined in section 3(13)(A) of the Northwest Power Act.

Option 2: Include the following if customer has CF/CT loads.

(3) CF/CT Loads

The Administrator has determined that the following loads were contracted for, or committed to be served (CF/CT), as of September 1, 1979, as defined in section 3(13)(A) of the Northwest Power Act, and are subject to the applicable cost based rate for the rest of «Customer Name»'s load:

End-use consumer's name:

Amount of firm energy (megawatts at 100 percent load factor) contracted for, or committed to, as of September 1, 1979:

Facility location and description:

END CF/CT OPTIONS]

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Exhibit D
AVERAGE SYSTEM COST METHODOLOGY

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Exhibit E POWER SCHEDULING

1. GENERAL REQUIREMENTS *(01/16/08 Version)*

«Customer Name» shall schedule power in accordance with this exhibit and the requirements of the Western Electricity Coordinating Council (WECC), the North American Energy Standards Board (NAESB), and the North American Electric Reliability Corporation (NERC), or their successors or assigns. In the case of conflict between this exhibit and any such requirements, this exhibit shall govern with the following exception: if the conflict could reasonably cause «Customer Name» to be in violation of a mandatory WECC, NERC, or NAESB requirement or standard, «Customer Name» shall notify BPA of such potential violation and the WECC, NERC, or NAESB requirements shall apply until the risk of «Customer Name» violating the requirement can be mitigated by BPA.

2. COORDINATION REQUIREMENTS *(12/04/07 Version)*

(a) Prescheduling

The “Preschedule Day” means the day on which prescheduling occurs. «Customer Name» shall submit physical and market paths for schedules for the following workday(s) to BPA by 1100 Pacific Prevailing Time of each Preschedule Day, except as specified by WECC (e.g. end of month and holidays).

(b) Real-Time Scheduling

(1) “Real-Time Scheduling” means the verbal and documented process of establishing a new or modified schedule after prescheduling is completed. Unless allowed under a specific BPA contract or confirmation agreement, «Customer Name» shall not make modifications to schedules in Real-Time Scheduling.

(2) If a specific confirmation agreement or another contract allows for Real-Time Scheduling, «Customer Name» shall specify an “hour beginning” and an “hour ending” for all multi-hour changes to a schedule and shall not state such changes as “until further notice.”

(c) After the Fact Reconciliation *(10/01/07 Version)*

“After the Fact” means the process of reconciling all schedules after they have occurred. Within the first 10 calendar days of the month the Parties shall reconcile all schedules for the previous month by confirming that the following are consistent with the BPA contract or confirmation agreement: (1) products or type of service, (2) hourly, daily and monthly energy totals, and (3) related charges.

(d) **Scheduling on the COB and NOB** *(10/01/07 Version)*

- (1) California-Oregon Border (COB), also called California-Oregon Intertie (COI), consists of the Pacific AC Intertie (PACI or Malin) and the third AC Intertie (3A or Captain Jack) transmission lines to California. When scheduling using the COB transmission path, «Customer Name» shall use the following designations to indicate the direction of energy flow: “N to S” to indicate energy is flowing north to south on the transmission path from John Day to COB, and “S to N” to indicate energy is flowing south to north on the transmission path from COB to John Day.
- (2) Nevada-Oregon Border (NOB) consists of the Pacific DC Intertie (PDCI or Celilo) transmission lines to California. When scheduling using the NOB transmission path, «Customer Name» shall use the following designations to indicate the direction of energy flow: “N to S” to indicate energy is flowing north to south on the transmission path from Big Eddy to NOB, and “S to N” to indicate energy is flowing south to north on the transmission path from NOB to Big Eddy.

(e) **Contact Information** *(10/17/07 Version)*

The Parties shall notify each other of changes to telephone or fax numbers of scheduling agents and personnel for the following functions: prescheduling, Real-Time Scheduling, and After-the-Fact.

3. REVISIONS *(1/27/08 Version)*

- (a) BPA may unilaterally revise this exhibit: (1) to implement changes that are reasonably consistent with standard industry practice and that BPA determines are necessary to administer its power scheduling function, or (2) to comply with requirements of the WECC, NAESB, or NERC, or their successors or assigns.
- (b) Revisions are effective 45 days after BPA provides written notice of the revisions to «Customer Name», except as follows: BPA may provide less than 45 days notice of revisions if, in BPA’s sole judgment, less notice is necessary to comply with an emergency change to the requirements of the WECC, NAESB, NERC, or their successors or assigns. In this case, BPA shall specify the effective date of such revisions.

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